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NEWS ANALYSIS

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(C) 1981 CHICAGO SUN-TIMES (FIELD NEWS SERVICE)
 WASHINGTON - DECLARING THAT HE RETAINS "FULL" SUPPORT FOR
 DIRECTOR WILLIAM J. CASEY, PRESIDENT REAGAN HAS SUGGESTED TO CLOSE THE
 BOOK ON THE FIRST ETHICS CONTROVERSY OF HIS ADMINISTRATION.

DEPUTY PRESS SECRETARY LARRY SPERKES SAID REAGAN EXPRESSED HIS
 SUPPORT FOR CASEY TUESDAY AND AGAIN WEDNESDAY, AND WANTS CASEY TO
 REMAIN IN HIS POST.

ANOTHER AIDE CHARACTERIZED REAGAN AS HAVING GREAT FAITH AND TRUST IN
 CASEY'S ABILITIES AND THE JOB HE HAS DONE AT THE INTELLIGENCE AGENCY.

BUT THE SUBJECT OF CASEY AND SOME OF HIS LONG-PAST FINANCIAL
 DEALINGS DOMINATED THE REGULAR WHITE HOUSE PRESS BRIEFING WEDNESDAY
 IN A WAY THAT RECALLED THE DIFFICULT ETHICS DILEMMAS THAT HAVE
 CONFRONTED SOME OF REAGAN'S PREDECESSORS.

REAGAN'S ENDORSEMENT OF CASEY FOLLOWED A DISCLOSURE THAT A MANHATTAN
 FEDERAL JUDGE HAD RULED IN MAY IN A CIVIL CASE THAT CASEY HAD
 KNOWINGLY PARTICIPATED IN 1968 IN AN INVESTMENT OFFERING THAT
 "OMITTED AND MISREPRESENTED FACTS" TO INVESTORS.

SPERKES SAID CASEY HAD DISCLOSED BEFORE HE WAS APPOINTED THAT HE WAS
 INVOLVED IN LITIGATION CONCERNING THE 1968 INVESTMENT OFFER, ALTHOUGH
 AT THAT TIME NO COURT FINDINGS AGAINST HIM HAD BEEN MADE.

THE CASE PREDATES CASEY'S ASSOCIATION WITH REAGAN, AND NEITHER CASEY
 NOR MAX HUGEL - WHO RESIGNED TUESDAY AS THE CIA'S CHIEF OF
 CLANDESTINE OPERATIONS - HAS BEEN ACCUSED OF ANY QUESTIONABLE ACTS
 WHILE SERVING IN THE ADMINISTRATION.

FORMER ASSOCIATES HAD ACCUSED HUGEL OF IMPROPER OR ILLEGAL STOCK
 TRADING PROCEDURES. THE RULING INVOLVING CASEY IS AN OUTGROWTH OF A
 DRAWN-OUT LAWSUIT, SOME ASPECTS OF WHICH REMAIN TO BE TRIED, AND HIS
 ATTORNEYS REPORTEDLY ARE SEEKING A REARGUMENT OF THE FINDING AGAINST
 CASEY AND OTHERS.

THE ORIGINAL APPOINTMENT OF HUGEL TO THE SENSITIVE POST HAD AROUSED
 OPPOSITION WITHIN THE SPY AGENCY, BECAUSE HUGEL, A BUSINESSMAN AND
 FRIEND OF CASEY, LACKED BACKGROUND IN THE INTELLIGENCE FIELD. THE
 WHITE HOUSE QUICKLY POINTED OUT THAT HUGEL HAD BEEN APPOINTED BY
 CASEY, AND NOT BY REAGAN. (CASEY, HOWEVER, WAS A CABINET-LEVEL
 APPOINTEE OF THE PRESIDENT.)

THE ADMINISTRATION ALSO INSISTED THAT HUGEL HAD RESIGNED, AND DENIED
 REPORTS THAT WHITE HOUSE CHIEF OF STAFF JAMES A. BAKER III HAD
 ORDERED CASEY TO GET RID OF HUGEL. WHITE HOUSE AIDES SAID THE
 QUESTION OF FIRING HUGEL HAD NOT EVEN COME UP.

YET, THE WHITE HOUSE SOUGHT INDIRECTLY TO TAKE CREDIT FOR HUGEL'S
 RAPID DEPARTURE. WITH WHITE HOUSE ADVISOR DAVID G. BROOKS SAYING